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Lawmakers Release Carbon Emissions Tax PlanBy *JOHN M. BRODER*

Almost exactly four years after unveiling his doomed cap-and-trade proposal to deal with global warming, Representative Henry Waxman, Democrat of California, released a new plan on Tuesday to address climate change and federal budget woes: a tax on carbon emissions.

Mr. Waxman, joined by Representative Earl Blumenauer, Democrat of Oregon, and Senators Sheldon Whitehouse of Rhode Island and Brian Schatz of Hawaii, both Democrats, distributed a relatively simple proposal to impose a fee on greenhouse gas emissions from power plants, factories, refineries and other major sources. The idea of a carbon tax, long favored by many economists as the most straightforward way of deterring pollution, has been kicking around the Capitol for years, but has never gained a broad following.

The plan contains three potential per-ton prices for carbon pollution, \$15, \$25 or \$30, and a range of annual cost increases from 2 percent to 8 percent a year to ensure that greenhouse gas levels continue to decline over time.

The new proposal would return most of the revenue from the new tax to the public through utility rebates, federal deficit reduction, payments to displaced workers or investments in clean-energy projects.

“Putting a price on carbon could help solve two of the nation’s biggest challenges: preventing climate change and reducing the budget deficit,” Mr. Waxman said in a news release. “There have been carbon tax proposals made by others. What’s unique about this one is its novel design. We are seeking to craft a system in which each agency does what they are good at and that minimizes compliance burdens and administrative costs. Utilities, oil companies and other major sources are already reporting their emissions to E.P.A. We build off of this existing program.”

The draft legislation being circulated by the lawmakers covers only 11 pages, vastly smaller than Mr. Waxman’s cap-and-trade bill, which grew to 1,200 pages after months of horse-trading and concessions to special interests before it passed the House in June 2009.

That bill, strongly supported by President Obama, never got a hearing in the Senate and the idea of a national approach to climate change fell by the wayside.

In his second Inaugural Address and his recent State of the Union speech, the president has renewed discussion of climate change, citing record temperatures and destructive storms fed by growing atmospheric concentrations of carbon dioxide and other greenhouse gases.

The president has specifically ruled out proposing a carbon tax, however, and it is unclear whether he would support the Waxman-Whitehouse approach, should it make any progress in Congress.

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